

SUBCHAPTER I—MISCELLANEOUS FEDERAL HOME LOAN BANK OPERATIONS AND AUTHORITIES

PART 975—COLLECTION, SETTLEMENT, AND PROCESSING OF PAYMENT INSTRUMENTS

Sec.

975.1 Authority and scope.

975.2 Definitions.

975.3 General provisions.

975.4 Incidental powers.

975.5 Operations.

975.6 Pricing of services.

975.7 Rights, powers, responsibilities, duties, and liabilities.

AUTHORITY: 12 U.S.C. 1430, 1431.

SOURCE: 45 FR 64164, Sept. 29, 1980, unless otherwise noted. Redesignated at 54 FR 36759, Sept. 5, 1989. Redesignated at 65 FR 8256, Feb. 18, 2000.

§ 975.1 Authority and scope.

(a) Pursuant to section 11(e)(2) of the Act (12 U.S.C. 1431(e)(2)) (Bank Act), the Finance Board has promulgated this part governing the collection, processing, and settlement, and services incidental thereto, of drafts, checks, and other negotiable and non-negotiable items and instruments by Banks. Settlement, collection, and processing include the following activities as defined in this part: Account processing, data processing, data communication, issuance of forms, transportation of items, and storage services.

(b) Any activity authorized by section 11(e)(2) of the Bank Act shall be governed by the provisions of this part.

[45 FR 64164, Sept. 5, 1989, as amended at 65 FR 8266, Feb. 18, 2000]

§ 975.2 Definitions.

(a) Unless otherwise defined in this part, the terms used in this part shall conform, in the following order, to: Regulations of the Finance Board, the Uniform Commercial Code, regulations of the Federal Reserve System, and general banking usage.

(b) The term *account processing* includes charging, crediting, and settling of member or eligible institution accounts, excluding individual customer accounts.

(c) As used in this part, the term *assets* includes furniture and equipment, leasehold improvements, and capitalized start-up costs.

(d) The term *data processing* includes capture, storage, and assembling of, and computation of, data from payment instruments received from Federal Reserve offices, Banks, clearinghouse associations, depository institutions, and other direct sending entities.

(e) The term *data communication* means transmitting and receiving of data to or from Banks, Federal Reserve offices, clearinghouse associations, depository institutions or their service bureaus, and other direct sending entities, arrangement for delivery of information; and telephone inquiry service.

(f) The term *eligible institution* means any institution eligible to make application to become a member of a Bank under section 4 of the Bank Act (12 U.S.C. 1424).

(g) The term *issuance of forms* means the designation and distribution of standardized forms for use in collection, processing, and settlement services.

(h) The term *presentment* means a demand for acceptance or payment made upon the maker, acceptor, drawee or other payor by or on behalf of the holder, and may involve the use of electronic transmission of an instrument or item or transmission of data from the instrument or item by electronic or mechanical means.

(i) The term *statement packaging* includes receiving statement information from members or eligible institutions or their service bureaus on respective customer cycle dates; printing statements; matching customer account statements; packaging the statements with appropriate items and informational materials, as authorized by individual members and eligible institutions, for distribution to their customers; sending the packages to the members or eligible institutions or mailing the packages directly to their customers.

(j) The term *storage services* includes filing, storage, and truncation of items.